

Date: July 10, 2009

Author: The Fetzer Institute and The Fetzer Memorial Trust

Category: Trust Histories

**COLLABORATION AGREEMENT BETWEEN THE
JOHN E. FETZER INSTITUTE, INC. AND THE JOHN E. FETZER
MEMORIAL TRUST FUND**

This Agreement is made and entered into on the ____ day of _____, 2009, by, and between the BOARD OF TRUSTEES OF THE JOHN E. FETZER MEMORIAL TRUST FUND (“Memorial Trust”) and THE BOARD OF TRUSTEE OF THE JOHN E. FETZER INSTITUTE, INC. (“Institute”)

RECITALS:

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust, in the spirit of unconditional love and freedom, are desirous of committing to each institution to a relationship of collaboration for the common purpose of advancing the vision of John E. Fetzer.

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust recognize and agree that a collaboration between the institutions draws its life blood from the spiritual environment created through the relationships of its participants.

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust are desirous of establishing a collaborative relationship between each institution which is characterized by the following guiding principles: (1) trust, (2) honesty, (3) tolerance, (4) gentleness, (5) joy, (6) defenselessness, (7) generosity, (8) patience, (9) faithfulness, (10) responsibility, (11) wisdom, (12) courage, and (13) open-mindedness.

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust are desirous of actively collaborating on an ongoing basis in order to contribute to the mutual interest of advancing the vision of John E. Fetzer.

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust have jointly adopted a Constitution for Collaboration on November 15, 1992.

WHEREAS, The Trustees of the Institute and the Trustees of the Memorial Trust desire to update, expand and restate the principles of said Constitution for Collaboration for continued collaboration on an ongoing basis.

NOW, THEREFORE, the Trustees of the Institute and the Trustees of the Memorial Trust agree as follows:

Guiding Principles of Collaboration

1. The priority of spiritual qualities which shall guide the relationship between the Trustees of the Institute and the Trustees of the Memorial Trust are as follows:

- a. Trust – Cultivating the trust upon which all work together must be founded.
- b. Honesty – Striving for consistency among thought, word and deed; thereby, minimizing self-deception and its resulting conflict.
- c. Tolerance – Suspending judgment that “destroys honesty and shatters trust.”
- d. Gentleness – Avoiding harm and discovering strength through gentle acts.
- e. Joy – Being in gratitude and celebrating our work together.
- f. Defenselessness – Helping each other to cast off defenses; discovering peace through defenselessness.

- g. Generosity – Possessing nothing that cannot be given away.
- h. Patience – Waiting without fear and anxiety, trusting in the order of things.
- i. Faithfulness – Surrendering to God all distrust, dishonesty, intolerance, harmfulness, scarcity, defensiveness, possessiveness and fear.
- j. Responsibility – Making choices with care and diligence and accepting the consequences of our choices.
- k. Wisdom – Discerning the essence of our freedom in our thoughts, words and actions.
- l. Courage – Acting in boldness of spirit and moral strength in the face of difficult choices.
- m. Open-Mindedness – Standing in awe and wonder of the transcendent mystery of our calling.

2. The principles of collaboration which shall guide the relationship between the Trustees of the Institute and the Trustees of the Memorial Trust are as follows:

- a. Each board of trustees affirms the right of the other to exist and to define its legitimate purposes within the scope of its charter.
- b. Each board of trustees will conduct its activities in an open manner, will invite each other to attend non-executive session meetings and will distribute the minutes of meetings to each other.
- c. The board of trustees of each institution will meet jointly at least once each year in dialogue about the current and long-term plans of the Institute and how the Memorial Trust fits within these plans.
- d. The Trustees of the Memorial Trust will be extended an open invitation to attend all Institute program activities in order to facilitate knowledge and understanding in the Institute.

- e. The Trustees of the Institute will be extended an open invitation to attend periodic meetings of the Trustees of the Memorial Trust to discuss subjects of mutual importance, including the meaning of freedom of spirit.
 - f. The board of trustees of each institution will address all questions and disagreements in an open, inclusive, non-adversarial way.
3. The Trustees of the Memorial Trust shall not modify the term of existence of the Memorial Trust without the prior consent and approval of the Trustees of the Institute.

Purpose

1. This Collaboration Agreement between the Trustees of the Institute and the Trustees of the Memorial Trust Fund (“Collaboration Agreement”) shall provide the framework in which the Memorial Trust shall fulfill its purpose.

2. The purpose of the Memorial Trust is as follows:

Preservation of the legacy and vision of John E. Fetzer through exploration and fostering the spiritual foundations of that vision, which is, “to awaken into and serve Spirit for the transformation of self and society,” through direct charitable activities and collaboration with the John E. Fetzer Institute, Inc., as well as funding grants to private foundations and public charities, by which the Fetzer Memorial Trust provides complementary programs and support of that vision.

Fetzer Memorial Trust Program and Payout Discipline

1. Any program of the Memorial Trust shall be consistent with the purpose of the Memorial Trust and provide a clear benefit to the Institute, the sole beneficiary of the Memorial Trust.

2. All programs will be developed jointly between the Institute and the Memorial Trust.

3. The Memorial Trust will solicit feedback from the Institute regarding any program budget.

4. The Memorial Trust will require programs to have a specific ending date with scheduled joint review of the program with and approval by the Institute before the Memorial Trust renews the program, to foster continued communication and accountability.

5. The Memorial Trust and the Institute may enter into agreements creating latitude within the Memorial Trust to implement programs or series of programs consistent with mutually agreed upon purposes, and further to transfer and convey funds from the Memorial Trust to any private foundation or public charity consistent with such agreements.

6. The programs of the Memorial Trust will be coordinated with the President of the Institute or his or her designee.

Grants From Fetzer Memorial Trust

1. At the request of the Institute, the Memorial Trust may make grants to a third party. The Memorial Trust may also make grants to the Institute, in coordination with the Vice President of Finance and the President of the Institute.

Direct Charitable Activities of the Fetzer Memorial Trust

1. The Memorial Trust shall be responsible for providing primary leadership and funding, if any, for the John E. Fetzer Legacy Committee, a joint project of the

Institute and Trust, established by joint resolution between the Institute and the Fetzer Memorial Trust. Its purpose includes documenting John Fetzer's search, esoteric vision, and essential writings, as well as implementing practices within the Institute to keep the founding flame of Spirit alive.

2. The Fetzer Franklin Fund was established by joint resolution of the Trust and Institute on November 12, 2004. Its purpose and operation is set forth in the resolution but includes the following scope:

- To gather courageous and creative scientific and spiritual leaders to explore specific breakthrough program opportunities;
- To test the hypothesis that thoughts/emotions and states of being affect reality directly, without being mediated through action; (As John Fetzer observed, “states of being are transmissible and human beings are receivers.”)
- To develop the technologies known by the ancients for opening the heart and transforming fear into love;
- To demonstrate the power of intention and the training of attention;
- To test the ancient hypothesis that love is a form of energy;
- To explore the roles of sound and light and other modalities in consciousness; and
- To draw upon multiple ways of knowing, including mystical practices and proven spiritual visionaries, intuitive and other adepts.

3. The Fetzer Franklin Fund shall be administered, operated and funded by the Trust. The budget for the Fetzer Franklin fund is first approved by the Trust, followed by ratification by the Fetzer Institute. The budget is then administered solely by the Trust. The approved Fetzer Franklin budget has an allowance for both grant funds and exploratory funds. Fetzer Franklin grant fund awards are jointly approved by the Trust and Institute, but awards from the exploratory fund are approved and administered by the Trust, then disclosed to the Institute afterwards. This provides flexibility for the Trust to

act in between Institute board meetings. Institute personnel shall have access to all files and can attend planning meetings of the Fetzer Franklin Fund.

4. The Memorial Trust may assemble and administer a council of elders, the purpose of such council shall be to set by a joint resolution between the Memorial Trust and the Institute, which purposes may include, but are not limited to, mentoring key Institute personnel and trustees, conducting mystical and esoteric practices within the Memorial Trust and the Institute and producing key material to help document and translate the guiding esoteric purpose of the Institute.

Governance

1. Compensation for the trustees, officers and employees of the Memorial Trust shall be determined utilizing the same process followed by the Institute to ensure uniformity or process, consistency in levels of compensation, compliance with Internal Revenue standards of “reasonable compensation” and “rebuttable presumption,” consistency with best practices and to expedite the process of reviewing and setting compensation.

2. The Memorial Trust shall agree to consider establishing a joint compensation committee, comprised of independent trustees from the Memorial Trust, the Institute and mutually agreed upon third parties, which shall make recommendations to the board of each institution to vote upon.

3. The Memorial Trust shall aspire, but shall not be required, to have a majority of its board of trustees meet the definition of “independent trustees,” which definition shall meet the Internal Revenue Service definition, in that, only trustees that do

not receive compensation in excess of their base trustee fee shall be considered as independent.

The Memorial Trust hereby acknowledges that preserving John E. Fetzer's guiding purpose, vision and legacy within the Memorial Trust, and to the extent possible, within the Institute, is the primary responsibility of trustees of the Trust. The Memorial Trust therefore agrees to treat trustee selection as a careful and sacred process. The Memorial Trust shall select individuals to serve as trustees who have demonstrated through longstanding spiritual practice, service to the Institute and have a continuing personal commitment to preserving and fostering the guiding purpose of John E. Fetzer's vision and legacy. In addition, the Trust shall consider the following values, concepts and processes of trustee selection and subsequent trustee development:

- a. The Memorial Trust shall comply with all provisions of its bylaws and articles regarding the composition and election of the board of trustees. Moreover, the Memorial Trust shall take any necessary action to prevent having a majority of trustees who also concurrently hold office as a trustee of the Institute.
- b. The Memorial Trust shall actively solicit input from the board of trustees of the Institute in considering candidates for the board of trustees of the Memorial Trust.
- c. The Memorial Trust shall consider the trustee emeriti of the Institute for service as a trustee of the Memorial Trust, but such trustee emeriti shall not be automatically entitled to serve as a trustee of the Memorial Trust.
- d. The Memorial Trust shall acknowledge that the guiding purpose of the Memorial Trust was born as a directive from Spirit and that understanding and preserving the Memorial Trust's mystical and esoteric nature requires group process and discernment.

- e. Each Trustee of the Fetzer Memorial Trust shall agree to continue on a spiritual path of his or her own choosing.
- f. Trustees of Memorial Trust shall discern and explore their spiritual collective journey.
- g. The Memorial Trust shall promote periodic individual and collective spiritual development experiences within both the Memorial Trust and the Institute to anchor the donor's founding intent within the Institute.
- h. The Memorial Trust shall recognize that the time horizon of the Institute is 500 years, requiring the Institute to stay the course in working toward the guiding purpose, think about change in the long term and plan for multiple successions.
- i. The trustees of the Memorial Trust shall recognize that John E. Fetzer was a student and not a teacher and that his personal spiritual path set an example and was not intended to create a religion within the Memorial Trust, the Institute or the general public.
- j. The trustees of the Memorial Trust shall complete a review with their peers on the board of trustees of the Memorial Trust and recommit to John E. Fetzer's guiding purpose, vision and legacy before being elected, or re-elected to the board of trustees of the Memorial Trust, as their term becomes due.

4. The boards of trustees of each institution recognize that investment conditions change, which change may require modification of these current understandings.

5. The Memorial Trust shall retain its authority to implement investment decisions.

6. The Memorial Trust agrees that its existence, policies and processes are intended to compliment the Institute, and, therefore, shall work in close cooperation, coordination and communication with the Institute.

7. The investment process at the Memorial Trust shall be as follows:

- a. The Memorial Trust shall decide its investment policy in consultation with the investment committee of the Institute. The investment policy shall include long term benchmarks, asset classes as well as the weights of the asset classes and best practices. The Institute shall be consulted on the selection and scope of asset allocation consultant(s) retained by the Memorial Trust. The Memorial Trust and the Institute investment committee shall periodically discuss the risk tolerance of the Memorial Trust, the skill set of the Memorial Trust, the overall risk tolerance of the Institute and Memorial Trust combined, and opportunity set in the investment environment in arriving at mutual understanding about how the Memorial Trust investment portfolio can best compliment the Institute.
- b. The investment manager selection and tactical asset allocation at the Memorial Trust shall be performed independently by the staff of the Memorial Trust.
- c. Performance and attribution analysis shall be compiled by the Institute's investment consultant and reported directly to both the Memorial Trust and the Institute. The Institute investment consultant also reports on the combined return of both institutions. The intent of the Memorial Trust and the Institute in employing the same independent investment consultant is to improve the transparency from the Memorial Trust to the Institute and use uniform analytics.
- d. Reporting between the Memorial Trust and the Institute shall be provided in a format and frequency (at least annually) so that the Memorial Trust is accountable and transparent to the Institute investment committee. The investment personnel of the Memorial Trust shall be invited to and interact as appropriate with the Institute investment committee.

- e. Assets of the Memorial Trust shall be held by and accounted for in a prudent and frugal manner.
- f. The Memorial Trust shall retain a certified public accounting firm to perform an annual audit of its financial statements, and report the results of the annual audit to the board of trustees of the Institute and senior staff.

8. Notwithstanding, any other terms of this Collaboration Agreement, in no case may the Institute compel the Memorial Trust to make expenditures.

9. If any part of this Contract shall be invalid or unenforceable under applicable law, such part shall be ineffective to the extent of such invalidity or unenforceability only, without in any way affecting the remaining parts of this Contract.

10. This Contract reflects the entire understanding between the parties with respect to the subject matter hereof.

11. Any modifications, changes, or discharge of the rights and privileges or obligations of either party to this Contract must be in writing and signed by both parties.

12. This Agreement shall become effective upon the execution by all of the parties designated on the first page of the Agreement.

13. This Agreement may be executed by separate signature pages, each of which will be attached to original copies of this Agreement to be delivered to each signatory.

BOARD OF TRUSTEES OF
THE JOHN E. FETZER MEMORIAL
TRUST FUND

Robert F. Lehman

Bruce F. Fetzer

Thomas J. Beaver

Louis G. Leesburg

Michael C. Gergely

BOARD OF TRUSTEES OF THE
JOHN E. FETZER INSTITUTE, INC.

Robert F. Lehman

Janis A. Claflin

Bruce F. Fetzer

Frances E. Vaughn

Angeles Arrien

Carolyn T. Brown

Bruce M. Carlson

Larry Sullivan

Lynne Twist